



**THE ASSISTANT SECRETARY OF THE NAVY**  
(Research, Development and Acquisition)  
WASHINGTON, DC 20350-1000

MAY 5 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: ESTABLISHMENT OF PROGRAM EXECUTIVE OFFICE (LITTORAL COMBAT SHIPS) (PEO LCS)

The Littoral Combat Ship (LCS) is a critically important shipbuilding program and demands the very best skill and effort from our acquisition and industry teams to be successful. It also demands that we look carefully at how we are organized to succeed. The LCS program, its mission systems, and its mission modules include many organizational interdependencies that through improved alignment would lead to improved program execution and effectiveness. To ensure that we deliver this program to the Fleet successfully, I am establishing a new Program Executive Office (Littoral Combat Ship) (PEO LCS) that will align several program offices into one consolidated PEO, focused entirely on delivering the LCS program. It will include the LCS Ship Program Office, plus necessary mission module and mission systems program offices, fleet introduction program offices, and functional offices, such as Test and Evaluation, all under a single PEO. The Secretary of the Navy has approved Rear Admiral Jim Murdoch to be the Program Executive Officer and Ms. Anne Sandel to be Executive Director, providing the new PEO strong leadership and experience in these two positions.

Establishment of the PEO will be accomplished as "zero-sum." We will disestablish PEO (Littoral and Mine Warfare) (PEO LMW) and assign its LCS-mission system/module programs and staff to the newly establish PEO (LCS). Other non-LCS programs in PEO (LMW) will be transferred to other PEOs or SYSCOM Directorates as appropriate. The LCS Program Office within PEO (SHIPS) will transfer to the new PEO, and a Fleet Introduction Office will be established under this new PEO. Naval Sea Systems Command, Mr. Brian Persons, will work with my staff and the affected PEOs to implement the details of these assignments and stand up the new PEO on or about July 1, 2011.

I want to emphasize that the work accomplished by the leadership and workforce in PEO (LMW) and PEO (SHIPS) on the LCS program has put it on a stable trajectory to succeed as we go forward. This realignment will build upon those accomplishments.

A handwritten signature in black ink, appearing to read "SJS", is located below the text.

Sean J. Stackley

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